FOREIGN CROPS and MARKETS

UNITED STATES DEPARTMENT OF AGRICULTURE
OFFICE OF FOREIGN AGRICULTURAL RELATIONS
WASHINGTON, D. C.

Vol. 42 May 5, 1941 No. 18

IN THIS ISSUE

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L A T E C A B L E S

The April declared exports of Brazil nuts to the United States from Belem and Manaos, Brazil, were 635 short tons shelled and 342 tons unshelled. Demand from the United States considered active; demand from other countries insignificant. Spot price of medium-sized nuts at Belem, 107 milreis per hectoliter (about 4.78 cents per pound).

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The declared exports of cashew nuts from the Madras consular district of India to the United States, according to figures obtained from certified consular invoices during the month ended March 31, was 543 short tons. The average declared value per pound was 16.03 United States cents. The declared exports from the Bombay consular district amounted to 137 short tons and the average declared value was 16.31 cents.

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Wool exports from Argentina for week ended Thursday, April 24, amounted to 11.2 million pounds of which 10.5 million were exported to the United States. Prices were reported as firm and demand good for remaining lots of crossbred wools of good quality. Prices for second clip and coarse fleeces have declined somewhat, due to less interest evidenced by carpet manufacturers.

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G R A I N S

SWITZERLAND ENDEAVORS TO INCREASE GRAIN PRODUCTION . . . . . .

Official estimates of winter-grain seedings in Switzerland for harvest in 1941 indicated a marked increase in the winter area of wheat, spelt, and barley, according to information received in the Office of Foreign Agricultural Relations, with a decline in the rye and maslin acreage. The acreage planned for spring seedings was placed about 72,000 acres above the spring acreage of 1940, with the increases divided as follows: 46,000 acres for wheat, 17,000 for spring barley, and 9,000 for oats. Cold weather last fall and in the early winter delayed the development of the winter crops, but they are reported to have improved this spring, and the condition of the crops was recently rated as very good. In 1940, the outturn of winter grains was said to have been one of the smallest on record, and a larger area than usual was devoted to spring grains, but no estimate of the crops has been received. Last summer, wheat production was forecast at about 5,400,000 bushels as compared with 5,900,000 in the previous year.

SWITZERLAND: Seedings of grains, 1940-1941

Crop	1940	1941	Crop	1940	1941
	Acres	Acres		Acres	Acres
Winter wheat...	114,000	148,000	Spelt.....	26,000	37,000
Spring wheat...	77,000	a/123,000	Winter barley..	7,000	12,000
Winter rye.....	22,000	)	Spring barley	20,000	a/ 37,000
Spring rye.....	3,000	) 25,000	Oats.....	53,000	a/ 62,000
Maslin.....	15,000	)	Corn.....	3,000	b/

Official sources and American consulate, Zurich.
a/ Planned. b/ Not yet reported.

Switzerland has always been largely dependent upon imported grains to supply its domestic requirements. As a result of the European war, it has been increasingly difficult to secure the amounts of foreign grain needed, and the Government has decreed that the area cultivated this spring must be expanded by about 123,000 acres. The authorities have tried to allot to each farm its percentage share in the total increase. In addition, each farm is required to become self-sufficient in certain products, such as potatoes and bread grains, and partly self-sufficient in others. In those parts of the country where pastoral production predominates, the self-provisioning regulations will result in a higher proportion of new ground to be cultivated this spring than in other parts, where the cultivated acreage was already large. For self-sufficiency in bread grains,

it was estimated that 8-10 ares (0.20-0.25 acre) should be seeded for each person on a farm, and in the case of potatoes 2 ares (0.05 acre). On farms having horses and pigs, the area reserved for oats and barley should not exceed 25 percent of the total area for grain, leaving 75 percent to be devoted to bread grain. For the purpose of carrying out the wartime agricultural program, it is reported that the Swiss Army has taken steps to supply the labor needed. Furthermore, seed prices and prices to be paid for agricultural products were fixed before seedings began.

In 1938, before the outbreak of the European conflict, Switzerland imported more than 1 million short tons of grains, about 60 percent of which came from overseas. With overseas grains entirely cut off, the wheat shortage is estimated at 56 percent, rye 68 percent, oats 88 percent, and corn 85 percent.

SWITZERLAND: Wheat acreage, production, imports, and apparent domestic utilization, 1934-1941

Year	Acreage			Total production	Net imports a/	Apparent domestic utilization
	Winter	Spring	Total			
	1,000 acres	1,000 acres	1,000 acres	1,000 bushels	1,000 bushels	1,000 bushels
1934	141,000	24,000	165,000	5,519	17,508	23,027
1935	143,000	25,000	168,000	5,974	16,949	22,923
1936	147,000	25,000	172,000	4,468	18,529	22,997
1937	148,000	26,000	174,000	6,184	14,349	20,533
1938	161,000	34,000	b/195,000	7,341	17,025	24,366
Average	148,000	27,000	175,000	5,897	16,872	22,769
1939	163,000	35,000	c/198,000	5,886	11,030	16,916
1940	114,000	77,000	191,000	d/ 5,400	-	-
1941	148,000	e/123,000	-	-	-	-

Compiled from official statistics and reports of American consulate, Zurich.

a/ Wheat, including flour, for July-June marketing year following harvest.

b/ Total revised to 183,000 acres but no revisions received for winter and spring acreage.

c/ Revised to 188,000 acres.

d/ Forecast of August 1940. e/ Intended acreage.

During 1934-1938 the domestic production of wheat in Switzerland averaged almost 6 million bushels, and an average of nearly 17 million bushels, including flour as grain, was imported. In 1939, production was about average but imports were reduced by about 35 percent. In 1940

production was estimated to have been somewhat below average; imports were not reported, but they were undoubtedly small. It is presumed, however, that important stocks had been accumulated prior to the outbreak of hostilities, since rationing has not been severe. In February of this year, the monthly allowance of flour, or groats of bread grains, for each adult was placed at 750 grams (26.5 ounces).

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SWEDEN INCREASES BREAD-GRAIN SEEDINGS FOR 1941 . . . . . .

The 1941 bread-grain acreage in Sweden is expected to exceed that of 1940 by about 2 percent, according to information received in the Office of Foreign Agricultural Relations. The area seeded to winter wheat was reduced by about 12 percent, but this was more than offset by a 24-percent increase in seedings of winter rye. The estimated acreages for spring seedings point to increases for both grains.

SWEDEN: Acreage and production of bread grains, 1935-1941

Year	Acreage			Production		
	Winter	Spring	Total	Winter	Spring	Total
Wheat	1,000 acres	1,000 acres	1,000 acres	1,000 bushels	1,000 bushels	1,000 bushels
1935	531	143	674	19,606	4,004	23,610
1936	523	171	694	17,177	4,458	21,635
1937	578	161	739	20,985	4,350	25,335
1938	595	168	763	25,052	5,132	30,184
1939	627	207	834	25,659	5,725	31,384
Average	571	170	741	21,696	4,734	26,430
1940 a/	b/ 643	226	869	10,196	5,673	15,869
1941 a/	569	231	800	-	-	-
Rye						
1935	540	21	561	16,445	457	16,902
1936	500	31	531	13,162	676	13,838
1937	469	18	487	14,354	377	14,731
1938	448	16	464	15,375	557	15,932
1939	415	16	431	14,362	532	14,893
Average	475	20	495	14,739	520	15,259
1940 a/	c/ 407	17	424	10,862	343	11,205
1941 a/	503	19	522	-	-	-

Compiled from official sources and reports of the American Foreign Service.
a/Acreages seeded or to be seeded.
b/ Census of June 1940 reported 534,000 acres for harvest.
c/ Census of June 1940 reported 401,000 acres for harvest.

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The exceptionally severe winter experienced in Sweden in 1939-40 resulted in considerable damage to winter wheat, and about 17 percent of the acreage was lost. Winter rye, on the other hand, suffered little loss by reason of the cold weather. Consequently, farmers this season, fearing another unfavorable winter, shifted to the latter grain when seeding their winter bread grains, but the indicated increase in spring sowings is more significant in the case of wheat then rye.

Information regarding the condition of the winter grain has not been received, since the status of these crops cannot be determined until about May 1, when the snows have usually melted and night frosts ceased. Seeds for the 1941 spring crops were reported to be available in sufficient quantities, and arrangements were made with the military authorities whereby mobilized agricultural workers could be released for field work.

The Swedish bread-grain situation is reported to have generally improved. Information recently obtained by the Government Food Commission pointed to a total supply of wheat and rye on August 31, 1941, the end of the present marketing year in Sweden, about twice as large as had previously been estimated. Furthermore, the financial condition of the farmers is reported to have been lightened by so-called crisis loans, which the Government has recently authorized in order to assist those farmers who suffered crop losses last year.

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AUSTRALIA DEVELOPS NEW VARIETIES OF WHEAT . . .

The Department of Agriculture of Victoria, Australia, recently announced that two new wheat varieties had been produced at experimental stations that are expected to have more resistance to disease and give better returns in dry areas, according to information received in the Office of Foreign Agricultural Relations. One of these new wheats, known as Pindar, is said to be particularly suited to the dry Mallee district, where the average yield per acre was nearly 4 bushels higher than that obtained from Gurkha, the variety that had previously given best results in that part of the State. The kernels of Pindar wheat grown there are reported to be slightly larger than those of Gurkha and are said to produce flour of better quality, but in areas outside of the Mallee district the yields obtained from Pindar were somewhat lower than those from other varieties. The other new variety, Quadrat, was reported to be a complex cross between Gurkha and unnamed crossbred wheats. With a greater resistance to flag smut and leaf rust, it is said to have given higher returns than Gurkha. Baking and milling tests of samples indicated that Quadrat was equal in quality to Gurkha and superior to other popular varieties.

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V E G E T A B L E O I L S A N D O I L S E E D S

NETHERLANDS INDIES PALM-OIL EXPORTS DECLINE AS RESULT OF WAR . . . . . .

Official figures for the 1940 production of palm oil in the Netherlands Indies are not yet available, but reliable sources place it at about 263,000 short tons, according to information received in the Office of Foreign Agricultural Relations. This represents a decline of 2 percent from the 1939 output of 269,000 tons. While the decrease is small, it is significant in that it is the first time in the history of the country's palm-oil industry that production for one year was smaller than in the year immediately preceding. The total planted area in 1940 showed an increase over the previous year of about 8,000 acres and is accounted for by one large estate that will come into bearing in 1944. Additional plantings were planned but abandoned after the loss of European markets in May 1940.

While it is certain that new plantings will not take place in 1941, it is not believed that restriction on a large scale will be adopted; therefore, production should be about the same as last year. Restriction of palm oil is rather difficult, once the tree is in bearing, as the nuts have to be picked periodically or the tree will cease to bear. As many other oils and fats compete with palm oil, it is believed that every effort will be made to keep it on the market.

NETHERLANDS INDIES: Acreage, production, and yield of palm oil, 1932-1940

Year	Area		Production	Yield per acre
	Planted	Producing		
	Acres	Acres	Short tons	Pounds
1932	173,155	108,311	99,237	4,541
1933	178,112	124,338	123,627	4,921
1934	182,431	137,734	144,012	5,276
1935	185,125	154,035	162,737	5,223
1936	195,995	167,744	193,163	5,690
1937	205,768	173,496	219,459	6,230
1938	227,594	183,936	249,856	6,711
1939 a/	239,687	190,267	268,611	6,933
1940 a/	247,986	183,104	b/ 263,450	7,110

American consulate, Medan.
a/ Subject to revision. b/ Unofficial estimate.

The oil palms, which are natives of west and central Africa, were brought to the Netherlands Indies as early as 1848, when a number of plants were set out in the Botanical Gardens in Buitenzorg, but it was not

until 1910 that the present industry had its beginning. During the first 4 years about 6,500 acres were planted, then, owing to the World War, further planting was delayed until about 1918, when it was resumed on a large scale, and had reached approximately 250,000 acres by 1940.

Palm oil is produced in the Netherlands Indies chiefly for export, and the loss of European markets in the past year left heavy stocks on hand. To take care of these stocks it was necessary to add to the storage space on estates. Normal storage facilities provide for about 25 percent of production. In spite of increased freight rates, shipments to the United States were heavy.

Prices of palm oil were officially set by the sales pool in September 1939 at 14 florins per 100 kilograms ($3.38 per 100 pounds), f.o.b. at the port of Belawan, and by the end of 1940 had been reduced to 4 florins per 100 kilograms ($0.96 per 100 pounds).

NETHERLANDS INDIES: Exports of palm oil, 1932-1940

Year	Total	United States	
		Quantity	Percentage of total
	Short tons	Short tons	Percent
1932	89,222	59,340	66.5
1933	121,606	86,938	71.5
1934	127,972	47,883	37.4
1935	157,839	107,915	68.4
1936	189,999	131,874	69.4
1937	217,037	157,298	72.5
1938	243,280	126,579	52.0
1939 a/	253,159	114,590	45.3
1940 a/	193,384	116,406	60.2

American consulate, Medan.
a/ Subject to revision.

Palm kernel production in the Netherlands Indies for 1940 was about 65 percent below the previous year. The loss of European markets was much more severe for palm kernels than for palm oil, as practically the entire crop was formerly shipped to Europe and processed there. The United States is only a minor market. After May 1940 exports virtually ceased, and the kernels were used for fuel. The outlook for 1941 does not appear bright. Should prices improve and a demand for the kernels develop, production could be resumed almost immediately. The present prices are too low to interest producers.

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COTTON - OTHER FIBERS

IMPROVEMENT IN JAPAN'S COTTON-TEXTILE TRADE RETARDED BY HIGHER PRICES . . .

A 60-percent increase in prices of Japanese cotton textiles between mid-February and the end of March has halted the rapid improvement in export demand reported last month, according to information received in the Office of Foreign Agricultural Relations. Other recent developments that tended to depress export demand and outlook were (1) the spread of hostilities to the Balkan countries, (2) press reports of April 17 that the Philippine Government contemplated raising the tariff on imports of Japanese cotton goods, and (3) unconfirmed reports in the Japanese press that the Netherlands Indies Government planned to restrict importation of Japanese goods in favor of those from India.

Imports of American cotton continue at a very low level because of lower prices of competitive growths, a shortage of shipping facilities, and the uncertain political situation. Prices of fine Indian Akola at Osaka during March averaged about 45 percent below American middling 7/8 inch, while comparable grades of Brazilian averaged about 19 percent below American. Information based partly on press reports indicates that arrivals of American cotton during March amounted to about 10,000 bales against 105,000 bales of Indian, 20,000 each for Brazilian and Peruvian, and small quantities of Egyptian and Uganda cotton. Shortage of freight space continues as a chief factor limiting imports of Brazilian cotton.

Practically all figures relating to the cotton industry in Japan have been withheld from publication for several months. Information obtained from unofficial sources indicates that total imports of raw cotton during the 7 months, September-March 1940-41, amounted roughly to 900,000 bales consisting of about 50,000 bales of American, 450,000 of Indian, 220,000 of Brazilian, and 80,000 each of Peruvian and Chinese. The total for the corresponding 7 months of 1939-40 was 1,461,000 bales. Most of the reduction this season is due to smaller imports of American, while imports of Brazilian were nearly doubled.

An estimate made early in April indicated that the total amount of cotton owned by spinners, including that in warehouses and purchases to arrive, was equivalent to 15 weeks' consumption at the current rate. Sales of American cotton to mills by merchants amounted to 61,000 bales during March, exceeding imports by about 50,000 bales. Yarn production was estimated at about 140,000 bales (of 400 pounds) in March with some increase expected during the next 2 months.

Reorganization of the cotton-spinning industry, according to the plans previously reported, has been completed but no progress has been

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made in efforts to reorganize the weaving section of the industry. The principal effect of the reorganization will be to bring all operations of the industry under complete governmental control. Standards have been established for types and quantities of yarns produced in order to eliminate over-production and waste. Small spinning plants have been amalgamated into units of standard size for more efficient operation.

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INDIA'S 1940-41 COTTON CROP
LARGEST IN RECENT YEARS . . .

The second official cotton-production estimate for all India placed the 1940-41 crop at 4,841,000 bales (of 478 pounds) from a planted area of 22,902,000 acres (fourth estimate), according to information received in the Office of Foreign Agricultural Relations. Both figures are considerably higher than the previous estimates for 1940-41 of 4,405,000 bales and 21,982,000 acres, and the production estimate exceeds that for any year since the 5,217,000-bale crop of 1936-37. The larger 1940-41 crop is attributed to an increase of 1,500,000 acres over the 1939-40 acreage and partly to more favorable weather conditions.

A report published at Bombay indicated that exports of raw cotton in 1939-40 (September-August) amounted to 1,963,000 bales (of 478 pounds) against 2,740,000 bales for 1938-39. The loss of export markets on the Continent of Europe has not been felt so keenly in India as in most other surplus-producing countries because of maintenance of near-normal shipments to Japan, China, and the United Kingdom, the three leading markets for Indian cotton. Import statistics for Japan and China indicate that imports of Indian cotton into these countries during the year ending August 31, 1941, may total about 1,000,000 bales, or nearly equal to the 1,130,000 bales imported in 1939-40. Good business was attributed largely to relatively low prices of Indian cotton and lack of adequate shipping space for cotton from other countries.

Shipments of raw cotton to the United Kingdom are limited at present only by the amount of shipping space available. In recent years, exports to Great Britain have amounted to 300,000 to 400,000 bales annually. As late as the end of January 1941 the space allotted for shipments of Indian cotton was about 25,000 bales monthly, or at the rate of 300,000 bales annually. Since British cotton imports have been drawn as much as possible from sterling-bloc countries, it may be assumed that shipments from India to the United Kingdom will be as large as available cargo space will permit.

Exports to markets on the European Continent averaged about 720,000 bales annually for the 5 years ended August 31, 1939. During the 10 months ended with June 1940, about 375,000 bales were exported to countries

on the Continent not then subject to blockade. Since that time, when the naval blockade was extended to include the whole Continent, practically all shipments to this area have ceased. Spain and Portugal are not subjected to complete blockade, but raw cotton arriving in these countries during the past year comprised mainly imports from South America, Portuguese Africa, Egypt, and the United States. Including small shipments to Canada, the United States, and Australia, it is not likely that exports of cotton from India during the 1940-41 season will exceed 1,400,000 bales.

Stocks of Indian cotton in India at the end of August 1940 were estimated at 1,234,000 bales (478-pound equivalents) compared with an estimate of 1,213,000 bales a year earlier. Imports in 1939-40 (September-August) totaled 419,000 bales against 349,000 bales for the previous year. Adding the 1939-40 production of about 4,136,000 bales to carry-over and imports of raw cotton, the supply for the 1939-40 season apparently was about 5,789,000 bales. Domestic-mill consumption and exports accounted for 2,531,000 and 1,963,000 bales, respectively, leaving a carry-over on August 31, 1940, of approximately 1,295,000 bales of all growths. Domestic-mill consumption in 1939-40 (September-August) was considerably less than the 3,096,000 bales consumed in 1938-39. The reduction was attributed to large-scale strikes in textile factories and an early rise in the cost of living, while wages and farm prices remained at or near pre-war levels.

During the past year, however, cotton-mill activity in India has been greatly stimulated by Government orders for British and Indian military requirements and an improved textile demand both in domestic and export markets. Indian mill owners are reported to be expanding capacity as rapidly as possible in an effort to capture cotton-textile export markets in East Africa, the Near East, and the Orient, formerly supplied by European and Asiatic exporters. Mill consumption during the current season is expected to again reach the 3,000,000-bale level.

India has a considerable hand-loom industry that purchases large quantities of yarn from spinning mills. The attention of the Government is being given to the encouragement of this industry and to active support of the "new uses for cotton" program. Imports of cotton piecegoods declined from 665.5 million yards in 1938-39 to 466 million in 1939-40, while exports rose from 179.5 to 261.6 million yards. The elimination of many former sources of supply in Europe has enabled Indian mills to increase their share of the domestic textile market, already amounting to about 80 percent.

Efforts to conserve foreign exchange and to encourage the production of medium- and long-staple cotton in India have led to a reduction of total imports of raw cotton into India and limited the sources almost entirely to British East Africa, Egypt, and the Anglo-Egyptian Sudan. Importers seeking to purchase American or other non-Empire

growths of cotton must prove that their needs cannot be supplied by similar types produced within the British Empire. Imports of American cotton that totaled 90,000 bales in 1939-40 have dwindled to less than 2,000 bales in 1940-41 to date.

Prospects for the disposal of existing stocks of Indian cotton are considered favorable enough that trade leaders have recommended that the Government take no action at present to dispose of the surplus. An estimate based on figures cited above indicates that the larger 1940-41 crop may bring about an increase in carry-over at the end of August 1941 to about 2,000,000 bales. No proposals have been made to reduce next year's acreage, but farmers are being encouraged to grow more long- and medium-staple cotton, because a majority of the surplus on hand is short-staple cotton that normally would have been exported to continental Europe.

Following the wide fluctuations in late 1939, cotton prices reached their highest point in the 1939-40 season on January 5, 1940, when Broach was quoted at a price equivalent to 13.11 cents per pound. Political and military developments in both Europe and the Far East influenced a downward trend throughout the spring and summer months. New trade regulations and practices instituted by the Government and trade associations halted the downward trend, and prices recovered to about 8.22 cents per pound for Broach on November 23, 1940. On February 28, 1941, the April-May Broach Contract was quoted at 185 rupees per candy (7.12 cents per pound).

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ANGLO-EGYPTIAN SUDAN COTTON CROP NEAR NORMAL . . . . . .

An early official estimate placed the 1940-41 cotton crop in the Anglo-Egyptian Sudan at 229,000 bales (of 478 pounds) compared with 245,000 bales in 1939-40, according to information received in the Office of Foreign Agricultural Relations. Planted area in 1940-41 was estimated at 409,000 acres against 426,000 acres for the previous year. Picking of American Upland varieties, both irrigated and rain-grown cotton, is usually completed in November and December, while the picking season for long-staple cotton (all irrigated) lasts from January through May. About 85 percent of the 1939-40 crop consisted of cotton grown under irrigation, all of which was of Egyptian long-staple varieties except about 6,600 bales, which were of American Upland.

The United Kingdom normally takes 50 to 75 percent of the total raw-cotton exports from the Anglo-Egyptian Sudan, while considerable quantities are shipped to British India, France, and Italy, in the order of importance. Shipments to British India increased from 52,000 bales in 1938-39 to 59,000 in 1939-40, while those to the United Kingdom declined from 212,000 to 44,000 bales. During the 7 months ended with February 1941,

about 62,000 bales of a total of 153,000 were exported to British India. The United Kingdom accounted for 86,000 of the remaining 91,000 bales.

Military activities in Italian East Africa, and on a minor scale within the borders of the Sudan, may have prevented normal movement of cotton exports during 1940. The recent elimination of enemy forces from most of these areas is expected to encourage heavier export shipments in coming months if sufficient cargo space is available. The entry of American ships into the Red Sea area under the recent Presidential authorization may relieve the shipping shortage to India, Australia, and the Far East.

ANGLO-EGYPTIAN SUDAN: Cotton acreage, production, and exports, average 1929-30 to 1933-34 and annual 1934-35 to 1940-41

Year beginning August 1	Acreage	Production a/	Exports a/
	Bales	Bales	Bales
Average 1929 to 1933	350,000	141,000	112,000
1934	364,605	227,474	176,000
1935	392,331	201,039	215,000
1936	474,761	267,981	279,000
1937	443,037	263,719	278,000
1938	458,111	263,277	341,000
1939	426,452	245,067	147,000
1940 b/	409,350	228,854	c/ 153,000

Compiled from Monthly Report and Statistical Returns of the Foreign Trade of the Sudan. a/ Bales of 478 pounds net. b/ Preliminary. c/ August to February, only.

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UNITED STATES EXPORTS OF COTTON . . .

UNITED STATES: Exports of cotton to principal foreign markets, annual 1938-39, 1939-40, and August 1 to April 24, 1939-40 and 1940-41 a/

(Running bales)

Country to which exported	Year ended July 31		Aug. 1 to April 24	
	1,000 bales	1,000 bales	1,000 bales	1,000 bales
United Kingdom	478	2,019	1,837	340
Continental Europe	1,792	2,478	2,321	187
Total Europe	2,270	4,497	4,158	527
Japan	905	960	843	87
Other countries	393	990	856	250
Total	3,568	6,447	5,857	864
Linters	215	0	268	19
Total, excluding linters	3,353	6,447	5,589	845

Compiled from Weekly Stock and Movement Report, New York Cotton Exchange. a/ Includes linters.

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T O B A C C O

ALGERIA PLANS LARGER TOBACCO CROP TO REPLACE FRENCH LOSSES . . .

High prices realized for Algerian tobacco in 1940 will encourage the growers to extend the area of their plantings in 1941, according to information received in the Office of Foreign Agricultural Relations. The demand by the French Regie is likely to be greater, because most of the tobacco-producing area in France is now occupied by Germany. Algerian manufacturers will probably buy cautiously, however, as their export trade to the French colonies (hitherto an important part of their business) has largely disappeared. It is too early to anticipate the volume of the 1941 production, but a crop of 50 million pounds is the objective. Weather conditions up through the first quarter of the year were reported satisfactory.

Owing to adverse weather conditions and the mobilization of workers at planting time, the 1940 crop was approximately only two-thirds of the average, amounting to about 27 million pounds. The price, in consequence of lowered production, rose to a record height of 1,500 to 1,600 francs per metric quintal (15.5 to 16.5 cents per pound), whereas if imports had been possible, South American tobacco could have been delivered to manufacturers at 500 francs (5.2 cents per pound).

The area planted to tobacco in Algeria has shown only slight variation in recent years. Acreage of suitable land is limited. Requirements of the French Regie (which buys 55 percent of the crop), the domestic consumption, and the small exports to foreign buyers, are known in advance. Practically the only unknown factors are the size and quality of the crop.

ALGERIA: Area and production of tobacco, 1933-1940

Year of harvest	Growers	Area	Production
	Number	Acres	Pounds
1933	12,805	41,802	28,824,924
1934	15,716	56,816	49,000,101
1935	16,073	56,919	41,649,744
1936	15,504	55,076	38,677,943
1937	15,999	58,538	38,876,578
1938	16,313	57,925	42,772,767
1939	a/	a/	a/
1940	a/	a/	b/ 27,000,000

Annuaire Statistique de L'Algerie; and Renseignements Statistiques Agricole. a/ Official information unavailable. b/ Estimate.

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The Government General refused to give licenses for imports of tobacco leaf, or for manufactured tobacco, in 1940. The curtailment of manufactured tobacco exports outside Africa, however, means that stocks of foreign leaf are still in manufacturers' hands, and at the present rate of consumption it is estimated that they will last for 18 months.

Exports of manufactured tobacco have practically ceased except to other French possessions in West Africa. Formerly, the principal market was Indochina. Exports to that country, rendered impossible by the absence of all means of communication due to the war, are now even more difficult by changes in the customs tariffs. A recent French decree gave financial autonomy to Indochina; consequently, French and Algerian goods must pay duty equal to about 50 percent ad valorem, while the privileged position and lower tariff applies to Japan's goods.

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PALESTINE PRODUCES MORE TOBACCO AND IMPORTS LESS . . . . . .

It is estimated by the Palestine Department of Agriculture that the tobacco crop of 1940 amounted to approximately 2 million pounds harvested from an area of 5,100 acres, according to a report from the American consulate in Jerusalem. This estimate is based upon the yield of 414 pounds per acre, which is somewhat higher than that of 1939. About one-half of the area authorized was harvested in 1939 when, owing to the lack of seedlings and because of adverse conditions arising from political disturbances, many growers requested that their licenses be canceled in whole or in part.

The tobacco produced in Palestine is used almost entirely by local cigarette manufacturers. The varieties grown are mostly Turkish, and cultivation is confined largely to the northern part of the country. The domestic crop in recent years has supplied most of the tobacco used by Palestine cigarette factories, but a small quantity of leaf, representing from 10 to 15 percent of the local production, has been imported annually for blending purposes. Approximately 165,000 pounds of leaf tobacco were imported during the first 11 months of 1940, principally from Greece, Turkey, Bulgaria, and the United States. In view of the increasing popularity in Palestine of cigarettes made of American flue-cured tobacco, the local factories in 1937 began to import this type. Consumption of American flue-cured in Palestine has never reached important dimensions, however, and imports in 1940 dropped to only 7,000 pounds. According to information furnished by local manufacturers, it is estimated that stocks of leaf tobacco on hand at the beginning of 1941, other than American flue-cured, were sufficient to meet requirements for approximately 1 year. Stocks of flue-cured were estimated to be sufficient for only about 6 months.

War-emergency measures of the Palestine Government include a strict control of foreign exchange and the establishment of an import-license system applicable to all classes of imported goods. The policy of the Government generally is to conserve exchange by insisting that, if possible, purchases be made from within the sterling area. Dealers and manufacturers report that licenses are being refused for imports of cigarettes and leaf tobacco from the United States. Unless the policy is changed, and licenses are granted for the importation of flue-cured tobacco, local factories will soon exhaust their stocks of this type and will be unable to continue the manufacture of Virginia-type cigarettes.

PALESTINE: Area, production, and yield of tobacco, 1934-1940

Year of harvest	Area	Production	Yield per acre
	Acres	Pounds	Pounds
1934	4,942	2,228,851	452
1935	4,942	1,796,749	401
1936	7,413	2,727,090	367
1937	14,826	5,520,318	403
1938	7,413	2,601,428	370
1939	3,600	1,130,960	314
1940	5,100	2,112,007	414

Compiled from official sources.

SUMATRA TOBACCO ACREAGE REDUCED:
MARKETINGS CURTAILED; AND
CARRY-OVER LARGE . . . . . .

Reports of planting indicate a reduction of 20 percent or more in the 1941 crop of Sumatra wrapper tobacco. Marketing of the 1940 crop has been delayed, and a large portion of it is held in storage in Sumatra, according to a report from American Consul John B. Ketcham at Medan. Sales of a portion of the crop were consumated in the Free Port of New York on May 2.

Plantings of the 1941 crop, which were begun in January, are expected to total about 22,000 acres as compared with an estimate of 29,320 in 1940, and, the average acreage during the 5 years, 1935-1939, of 36,000 acres. Reduction in plantings results from the closing of the European market by the war and has been made on land that produces a minimum percentage of leaf suitable for the American market. With normal growing conditions, the 1941 output of American grades will compare favorably with that of recent years. The reduction in area, however, will

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probably result in a total crop of only about 18.0 million pounds, export weight, as compared with 23.2 million in 1940 and the average production during the preceding 5 years of 23.5 million pounds.

As a result of the European blockade, Sumatra producers are dependent upon sales in the Western Hemisphere and small outlets in Australia, India, South Africa, the Straits Settlements, and China. It is estimated that approximately 6.0 million pounds from the 1940 crop have been shipped to the United States for sale at the Free Port of New York. About 2.6 million pounds of this supply were believed to be suitable for the United States market. Approximately half of the remaining 3.4 million pounds was expected to be sold for reshipment to Canada and other Western Hemisphere countries, and the remainder held in bond in the United States.

Sales to points outside of the Western Hemisphere are expected to total less than 0.5 million pounds, which would bring total possible exports of the 1940 crop to about 6.5 million pounds. This would leave approximately 16.7 million pounds of the 1940 crop for storage in Sumatra. The unexported supply from the 1939 crop is now estimated at less than 1 million pounds.

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LEAF TOBACCO SUPPLY
GROWS SHORT IN SWITZERLAND . . .

Despite the fact that Swiss tobacco manufacturers have used careful foresight in laying in leaf supplies, they were not prepared for all the difficulties caused by the war. No appreciable quantities of leaf have been imported since the middle of 1940, and the industry has been subsisting on its reserves for several months, according to information received in the Office of Foreign Agricultural Relations. This fact, coupled with a fairly good demand for finished tobacco products, has created a strong demand for tobacco leaf.

Those able to get their product into Switzerland are certain of a market, but the major difficulty lies in transportation. Space was requested for about 6.5 million pounds of tobacco on one steamship that never sailed. It is also known that approximately 11.0 million pounds of American leaf, mostly Kentucky and Maryland types, lie in intermediate ports, awaiting an opportunity to be forwarded.

The situation cannot be improved by expanding the domestic crop, as there is a shortage of manpower attributable to the war, and as the arable land (never plentiful in Switzerland) must be utilized to produce essential food for the moblized Army. Aside from these factors, the record tobacco crop in Switzerland supplied but a small percentage

of the domestic consumption, and the types grown are unsuitable for the manufacture of some tobacco products unless supplemented by foreign growths.

A somewhat smaller tobacco crop was grown in 1940 than in 1939. The most reliable sources now obtainable estimate the 1940 production at about 2.7 million pounds grown by 4,700 producers on 1,730 acres. This estimate compares with 2.8 million pounds produced on 2,004 acres in 1939. Prices of the 1940 crop are somewhat higher than those of the year before, ranging from 180 to 190 Swiss francs per 100 kilograms (18.5 to 19.5 cents per pound).

Swiss customs statistics are now treated as confidential, but it is a known fact that more leaf tobacco was imported in 1940 than in 1939, when approximately 15.7 million pounds were cleared. Imports from the United States were about 8 percent larger than in 1939, but the increase in United States imports was not as great proportionately as from several other countries - Italy and Brazil, for instance.

Inasmuch as some manufacturers were not as well supplied as others, and as some types were stocked in greater or lesser quantities, the exhaustion of imported-leaf stocks has not been uniform, and much trading of leaf among manufacturers has resulted. The Government has encouraged this practice, as it has been the only method through which small producers could continue business. There is a general interest in the existence of these small producers, as in some parts of the country the economic life of whole villages centers around the tobacco factory, loss of which would be a blow to the local welfare.

In the retail trade, the demand continues for cheap cigarettes. This tendency was reflected in the Christmas trade, which on the whole was satisfactory; volume increased but the total sales value of tobacco products declined. An interesting development of the holiday trade was a shift in the demand from cigarettes to "stumpen," brought about by a shortage of the popular cigarette brand and an imminent price increase for "stumpen." The price increase on this cigar materialized in January 1941. The cheaper grades were raised about 7 percent in price, and the more expensive ones, from 13 to 15 percent. Price increases of the more expensive brands were effected by a reduction in tobacco content as well as by increases in the selling price.

Standard brands of American cigarettes were selling at the end of the first quarter of 1941 for 1.40 francs (32.5 cents) per package. The high price is the result of a 10-centime price increase made in the last quarter of 1940. The change in price had no noticeable effect on the demand, however, owing principally to the fact that the supply is so short that normal reactions to price changes do not materialize.

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FRUITS, VEGETABLES, AND NUTS

UNITED STATES VEGETABLE IMPORTS REACH 142 MILLION POUNDS . . .

Total shipments of vegetables from Mexico and Cuba to the United States during the current season, November to March, amounted to over 142 million pounds, an increase of around 25 million pounds over exports for the same period in the previous year, according to reports from American Vice Consul Thomas M. Powell at Nogales, Mexico, and American Consul Harold S. Tewell at Habana. Mexican shipments have reached record highs, showing an increase of more than two-and-one-third times exports for a comparable period last season. Cuban exports, however, have declined by more than 27 million pounds, largely due to weather damage to crops.

Mexican Shipments at High Levels

Mexican exports to this country during the second half of March totaled 22,275,000 pounds, an increase of 350 percent over comparable shipments in 1940. Tomatoes, as expected, accounted for the bulk of the movement. The peak of tomato shipments was reached during the latter half of March, and exports are expected to drop gradually until the end of the season, which this year is being expected sometime around the middle of May.

MEXICO: Exports of vegetables to the United States, March 16-31, 1939 to 1941 and November 23 to March 31, 1938-39 to 1940-41

Vegetable	March 16-31		
	1939	1940	1941
	1,000 pounds	1,000 pounds	1,000 pounds
Tomatoes	3,623	4,997	21,147
Green peas	527	29	40
Green peppers	197	1,115	981
Eggplant	48	99	107
Total	4,395	6,240	22,275
	November 23-March 31		
	1938-39	1939-40	1940-41
Tomatoes	13,910	22,813	61,554
Green peas	2,909	2,649	2,878
Green peppers	1,608	3,734	5,881
Green beans	5	1	a/
Eggplant	271	277	359
Lima beans	1	a/	0
Cucumbers	5	0	0
Squash	0	0	1
Total	18,709	29,474	70,673

American consulate, Nogales. a/ Less than 500 pounds.

The large increase in Mexican exports, which are assessed the full United States import duty throughout the year, is due largely to recurring spells of bad weather in both Cuba and Florida during the current season. The small volume of green-pea exports during the latter half of March was the remnant of the crop, and no further shipments are to be expected. Pepper exports continued to be maintained but that crop had already passed the peak movement in March, and the volume of April shipments should be substantially less.

Rains Reduce Cuban Exports

Heavy rains are largely responsible for the 25-percent reduction of Cuban exports of vegetables in March 1941, compared with those of the previous March. April shipments of both tomatoes and peppers were expected to be curtailed as a result of the excessive rainfall. Total vegetable exports for the current season amount to 71,628,000 pounds, a decline of about one-fourth below comparable shipments in the previous season. This decline is also due to recurring unfavorable weather conditions during the season.

CUBA: Exports of vegetables to the United States, November-March, 1938-39 to 1940-41

Vegetable	November-March		
	1938-39	1939-40	1940-41
	1,000 pounds	1,000 pounds	1,000 pounds
Tomatoes	43,865	72,644	49,872
Eggplant	5,357	4,844	6,109
Peppers	1,706	5,094	6,049
Okra	1,768	1,244	1,048
Lima beans	4,382	6,974	4,044
Cucumbers	2,414	2,449	3,022
Potatoes	782	3,643	18
Others	293	1,523	1,466
Total	60,567	98,415	71,628

American consulate, Habana.

Tomato Imports from Cuba and Mexico

United States imports of tomatoes from Cuba and Mexico for the current season through March amounted to 89,087,000 pounds, compared with imports of 65,127,000 pounds in the comparable period in the 1939-40 season. Imports from Mexico have increased from 16,322,000 to 44,354,000 pounds while arrivals from Cuba declined from 48,805,000 to 44,733,000 pounds in 1940-41.

UNITED STATES: Imports of tomatoes from Cuba and Mexico, by months, 1936-37 to 1940-41

Country and month	1936-37	1937-38	1938-39	1939-40	1940-41
	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds
Cuba					
November	1,759	793	2,145	1,197	2,220
December	11,225	12,141	9,244	4,921	8,897
January	12,323	13,322	13,880	10,037	7,791
February	9,589	13,820	8,480	13,865	10,942
March	6,937	4,867	4,818	18,785	14,883
April	970	334	660	6,735	-
May	21	0	7	343	-
June	21	755	0	19	-
Total	42,845	46,032	39,234	55,902	-
Mexico					
November	81	0	0	22	0
December	3,737	1,923	3,068	2,199	1,944
January	4,612	4,882	2,454	2,742	7,760
February	2,874	4,811	1,251	4,288	11,620
March	6,142	2,858	2,616	7,071	23,030
April	22,059	4,763	4,867	6,215	-
May	13,922	404	1,189	855	-
June	594	22	0	a/	-
Total	54,021	19,663	15,445	23,392	-

Compiled from official records, Bureau of Foreign and Domestic Commerce.
a/ Less than 500 pounds.

SPANISH SHERRY EXPORTS RISE IN 1940

Exports of sherry wine from Spain amounted to 6,551,000 American gallons during 1940, an increase of about 19 percent above shipments in the previous year, according to information received in the Office of Foreign Agricultural Relations. Heavier shipments to the United Kingdom and the United States were largely responsible for the increased volume of exports, the United Kingdom taking 83 percent and the United States nearly 12 percent of the total movement.

Spain is the third-ranking wine producing country in the world, following France and Italy, which normally provide more than half the total world production. Similarly, Spain is one of the leading wine-exporting countries of the world. Converted at 160 gallons of wine to a short ton of fresh grapes, Spain normally uses between 2,800,000 and 3,000,000 short tons of grapes for wine making.

SPAIN: Exports of sherry wine, a/ by countries, 1936-1940

Country	1936	1937	1938	1939	1940
	1,000 gallons	1,000 gallons	1,000 gallons	1,000 gallons	1,000 gallons
United Kingdom	4,808	4,918	3,893	4,307	5,459
Denmark	104	133	103	82	19
Netherlands	28	86	31	142	22
Germany	84	205	213	137	0
Sweden	92	147	55	100	6
Other Europe	120	151	132	126	53
Total Europe	5,236	5,640	4,427	4,894	5,559
United States	462	585	291	416	756
Cuba	25	50	34	22	26
Mexico	17	29	17	27	30
Argentina	27	25	30	22	31
Others	136	148	114	124	149
Total ex-Europe	667	837	486	611	992
Total all countries	5,903	6,477	4,913	5,505	6,551

American embassy, Madrid.
a/ Converted to American gallons.

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CANADIAN FRUIT AND VEGETABLE DUTY VALUATION . . . . .

CANADA: Record of seasonal advanced valuation for calculating duty on imports of fruits and vegetables, 1941 a/

Commodity	Advanced valuation	Date established	Date cancelled	Region affected
	Cents per pound			
Asparagus	4.0	April 10 April 18		Western Canada Ontario-Quebec
Cucumbers	2.0	April 1		Ontario-Quebec
Lettuce	0.8	April 1		Ontario-Quebec

Compiled from reports of the Department of National Revenue, Canada.
Western Canada includes the Provinces of British Columbia, Alberta, Saskatchewan, and Manitoba.
a/ For previous report, see issue of April 14, 1941, page 517.

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L I V E S T O C K A N D A N I M A L P R O D U C T S

CANADA NOT LIKELY TO FILL LOW-DUTY CATTLE QUOTA THIS YEAR . . .

During the first quarter of 1941, Canadian shipments of low-duty heavy cattle to the United States were considerably below the quota allotted to that country, although slightly larger than in the same period of 1940. Shipments of beef cattle in the period January 1 to April 10 totaled 26,506 head against 24,732 a year earlier, while the number of calves shipped was 12,232 against 11,172. The quarterly quota granted Canada by the United States for heavy cattle imports (700 pounds or over) at the reduced rate of 1.5 cents per pound is 51,720 head as allotted by Presidential Proclamation of November 30, 1940. Last year the annual quota of 193,950 head was not filled, nor is it expected to be this year.

Canadian cattle herds are being rebuilt from the low point to which they were reduced in 1937, as the result of drought, thus limiting the number to be marketed in 1941, according to information received from Agricultural Attaché C. C. Taylor at Ottawa. The holding of yearling beef heifers for rebuilding herds, relatively small total supplies, high cattle prices, and good consumer demand for beef apparently will have a restrictive influence on shipments to the United States. Per capita consumption of beef and veal in 1939, while below that of the years 1937 and 1938, was about the same as in 1934. Consumption of beef declined but that of veal increased.

CANADA: Beef and veal consumption, 1932, 1934, 1937-1940

Item	1932	1934	1937	1938	1939	1940
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds
Beef	478	548	609	578	554	a/
Veal	90	112	146	133	136	a/
Total	568	660	755	711	690	a/
Per capita	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds
Beef	45.5	50.6	54.7	51.6	49.0	a/
Veal	8.5	10.4	13.1	11.8	12.1	a/
Total	54.0	61.0	67.8	63.4	61.1	a/

Compiled from official sources. a/ Not available.

The increase in cattle numbers since 1939 appears to be principally in beef cattle, although beef cattle are still out-numbered by dairy cattle in every Province. Full details of the December 1940 estimate are not yet available. The number of calves reported in the June estimate was 3.5 percent more than a year earlier, and in the important beef-producing Province of Alberta the number was 6 percent greater, but this increase will not affect total supplies until 1942.

The larger proportion of Canada's beef cattle is in the three Prairie Provinces. On June 1, 1940, Alberta, Manitoba, and Saskatchewan had 54 percent of Canada's beef cattle as against only 34 percent of the dairy cattle. Cattle numbers, other than milk cows, increased 6 percent in Alberta above December 1939, whereas the increase in Saskatchewan was 10 percent and in Manitoba 0.3 percent.

The total number of cattle and calves on farms in Canada as of December 1, 1940, was 8,316,000 head, an increase of 1 percent above the low point reached in 1937, but still 3 percent under the record December estimate of 8,539,000 reported in 1934. Whereas the number of milk cows and heifers, including yearling heifers raised for milk, decreased to approximately 4,694,000 as of December 1, 1940, from 4,741,000 a year earlier, beef cattle increased from 3,483,000 to 3,622,000, according to preliminary estimates. The number of beef cattle in 1940 was still about 3,000 head smaller than in 1934.

CANADA: Number of cattle as of December and June, 1932 to 1940

Year	December 1			June 1		
	Total cattle and calves	Milk cows and heifers a/	Other cattle	Total cattle and calves	Milk cows and heifers a/	Other cattle
	Thousands	Thousands	Thousands	Thousands	Thousands	Thousands
1932	8,092	4,456	3,636	8,511	4,481	4,030
1933	8,503	4,624	3,879	8,917	4,603	4,314
1934	8,539	4,672	3,867	9,012	4,763	4,249
1935	8,499	4,747	3,752	8,897	4,708	4,189
1936	8,337	4,834	3,503	8,841	4,726	4,115
1937	8,080	4,704	3,376	8,840	4,855	3,985
1938	8,091	4,755	3,336	8,511	4,771	3,740
1939	8,224	4,741	3,483	8,475	4,800	3,675
1940	8,316	b/ 4,694	c/ 3,622	8,565	4,781	3,784

Compiled from official sources. a/ Includes yearling heifers, for milk. b/ Preliminary, includes young dairy stock. c/ Preliminary estimate.

Any increased production of feed grains, which would occur from the recently announced policy of diverting about 9,000,000 acres from wheat to other uses, would probably be fed to hogs and poultry rather than to cattle and sheep, in the opinion of Mr. Taylor.

The announced plan of the British Government to slowly liquidate livestock during the next 6 months is expected to result in increased demand for Canadian pork and poultry products rather than for beef. During the World War years, 1914-1918, Canadian exports of beef to the United Kingdom averaged 28 million pounds annually. In fact, the largest quantity exported to that country in the years 1913 to 1940 was 95 million pounds in 1918. Beef exports to the United Kingdom for the years 1935

to 1939 averaged 5 million pounds. In 1940 no exports of beef and veal were reported to the United Kingdom. Exports of live cattle to the United Kingdom fell to an insignificant number during the World War years. In the 5 years 1935 to 1939, shipments averaged 23,000 head annually.

CANADA: Number of cattle on hand, production and export of beef and live cattle to United Kingdom, 1914-1940

Year	Number on hand June 1	Total slaughter cattle and calves	Total beef and veal production	Beef and veal exported		Cattle exported (excludes calves)	
				United Kingdom	Total a/	United Kingdom	Total a/
Average	Million head	Million head	Million pounds	Million pounds	Million pounds	1,000 head	1,000 head
1914-1918 Annual	7.3	b/	c/	28.2	62.2	2	160
1918	10.0	b/	c/	94.9	127.3	-	203
1930	8.9	1.8	581.1	0.2	8.1	5	28
1932	8.5	1.8	565.8	1.5	4.5	17	28
1934	9.0	2.1	674.5	11.5	15.1	54	63
1935	8.9	2.2	693.8	3.8	13.5	7	113
1936	8.8	2.4	753.7	6.4	12.4	38	234
1937	8.8	2.6	760.1	9.7	17.3	10	222
1938	8.5	2.4	701.0	2.0	5.7	27	130
1939	8.5	2.3	689.9	0.9	4.4	4	209
1940	8.6	c/	c/		d/ 3.7	-	157

Compiled from official sources. a/ The bulk of the exports except to the United Kingdom were to the United States. b/ Not available; inspected slaughter of cattle and calves averaged 659,000 for the 5 years 1914-1918, 882,000 head in 1918, and 978,000 in 1930. c/ Not available. d/ Only 497,000 pounds went to the United States, against 794,000 pounds in 1939.

IRISH CATTLE NUMBERS INCREASE; HOGS AND SHEEP DECREASE . . .

Livestock numbers in Ireland as of January 1, 1941, showed an increase of 2 percent in cattle and decreases of 5 percent in hogs and 3 percent in sheep compared with a year earlier, according to information cabled to the Office of Foreign Agricultural Relations.

The increase in cattle numbers on hand on January 1, 1941, to 3,625,000, the largest number since 1934, may be partly the result of United Kingdom restrictions on purchases of Irish fat cattle in the fall of 1940, to 2,000 head per week, which had the effect of cutting Irish exports by more than one-half. The restriction was due to a temporary surplus in the United Kingdom, and it was expected that normal trade in fat cattle would be resumed with the United Kingdom at a later date.

As the United Kingdom meat ration was reduced again in March 1941 owing to the seasonal decline in domestic cattle slaughtering, it is probable that restrictions on Irish purchases may have been lifted to some extent by now.

Although a detailed classification of cattle numbers is not available, it is believed that the increase is mostly in beef cattle, as milk exports from Ireland were prohibited as of November 1940, due to a shortage brought about by the dry summer. Ireland is normally not a milk-exporting country, but in view of the reported shortage in Northern Ireland and the United Kingdom, steps were taken to forestall the development of any export trade in that commodity. Large quantities of canned skimmed milk were being shipped to England in the fall of 1940.

Butter exportation of all kinds was also prohibited. The large quantities of butter sent out of the country by parcel post as gifts or taken over the border by visitors from Northern Ireland had increased to such an extent that the country's stocks has become endangered.

Hog numbers were estimated at 853,000 head on January 1, 1941, which was 46,000 head less than a year earlier, but over 47,000 more than in 1938, and 33,000 more than in 1939. The number of bred sows on January 1, 1941, was only 88,000, a decrease of 15 percent compared with 1940, which indicates a decrease in the 1941 fall pig crop. The United Kingdom increased its quota of pig imports from Ireland as of November 1940 by 50 percent to 1,500 hogs a week, which helped alleviate the problem of a considerable surplus.

The number of sheep as of January 1941 was 2,195,000, or the smallest number reported in January in recent years. Sheep numbers are now about 100,000 smaller than in 1939 and almost 150,000 less than in 1934. June estimates show that the average for the 5 years 1936-1940 was 6 percent under that for 1931-1935.

IRELAND: Number of livestock on January 1, 1941, with comparisons

Classification	1934	1938	1939	1940	1941
	Thousands	Thousands	Thousands	Thousands	Thousands
Cattle	3,728	3,556	3,586	3,569	3,625
Hogs, total	799	806	820	899	853
Sows	99	92	94	103	88
Sheep	2,343	2,270	2,294	2,256	2,195
Horses	423	418	422	a/	a/

Cabled reports to the Office of Foreign Agricultural Relations and original official sources. a/ Not available.

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GENERAL AND MISCELLANEOUS

FOOD RATIONING IN DENMARK . . .

Basically, Denmark is a surplus producer of agricultural products. It is true that a large part of the substantial surpluses of butter, bacon, and eggs normally exported was produced from imported feedstuffs. Yet, even if this factor is properly taken account of, the fact remains that with certain adjustments in its agriculture and about normal crop production, the country should still produce some genuine surpluses of livestock products.

Accordingly, the food situation in Denmark may be regarded as relatively satisfactory, and the food rations allotted at the present time seem to confirm this impression. Of the staple foods, bread, flour, and cereals; sugar; and fats (butter and margarine) are rationed on a fairly liberal basis, while potatoes, meat, fish, milk, ordinary cheese, and eggs are not at present subject to ration restrictions. Theoretically, the rations would permit a consumption of bread, flour, and cereals of about pre-war volume; of sugar up to three-fourths of pre-war; and of fats perhaps as much as two-thirds, or even more, of the high pre-war consumption. In regard to the unrationed foodstuffs of a staple type, grave shortages do not seem to have thus far occurred.

Against this apparently favorable picture must be set a strong presumption that, because of the substantial increase in food prices at a time of rapidly rising unemployment, the lower-income groups, both urban and rural, may not be in position to buy or retain their full ration allowances of certain foods. In other words, consumption may actually be less than it would appear on the basis of the rations. Similarly, in the case of unrationed foods, it is probable that consumption may have been considerably curtailed by the increase in prices.

From the outbreak of war to January-February 1941, when many retail prices became fixed, the increases recorded had reached as much as 45 percent in the case of butter, 37 percent for margarine, 36 percent for French bread, 28 percent for rye bread, and 40 to 70 percent for meat. The total cost-of-living index from July 1939 to January 1941 had risen by over 40 percent. There is little doubt that this situation, in part at least, reflects the influence of the high money prices by means of which the German authorities have secured a fairly substantial flow of Danish agricultural exports to Germany. Quantities were drawn into export channels sufficient to reduce domestic supplies to a point where they would sustain a considerably increased home price-level.

The following table compares present Danish food rations with average per capita consumption in recent pre-war years. Any comparison of this sort must be taken with reservations, since the rations, as stated

above, are not necessarily truly indicative of actual consumption. It should be pointed out, however, that competent observers in Denmark do not feel that consumption of the rationed foods, in 1940 at least, was less than the rations.

DENMARK: Weekly food rations per person, February 1941 a/

Foodstuff	Rations 1941	Approximate average per capita consumption 1934 - 1936
	Grams	Grams
Bread and flour -		
Total in terms of bread	2,280	2,250
Rye bread	b/ 1,790	1,100
French bread	490	c/
Wheat flour in place of French bread	408	900
Cereals -		
Oats and barley groats	233	c/
In terms of bread	310	-
Total bread and cereals, in terms of bread	2,590	Probably under 2,600
Potatoes	Not rationed	c/
Sugar	d/ 466	600
Marmalade, etc.	Apparently not rationed	-
Meat	Not rationed f/	1,100
Fish	Not rationed g/	275
Fats (butter and margarine)	h/ 350	570
Cheese	Not rationed i/	115
Milk - whole	Not rationed	c/
skimmed	Not rationed	c/
Eggs	Not rationed j/	130

Rations compiled from official sources; average per capita consumption according to Statistisk Aarbog and Statistiske Efterretninger. a/ Children are reported to have, in general, the same rations as adults, except as stated. b/ Children below 6 years get only 700 grams; heavy workers get an extra 700 grams, special-heavy workers an extra 1,400 grams. c/ Not available. d/ Plus some extra allowance for jam making in the season - household ration only. e/ Unofficial estimate for household consumption. Total consumption (including industrial) was about 1,000. f/ One meatless day per week for all Danish restaurants was decreed on April 22, 1941, according to the press. g/ Under war conditions the catch of fish is probably reduced, and supplies to domestic consumers are likely to be curtailed, as the considerable increases in the prices of fish since the middle of 1940 seem to indicate. h/ Margarine, which is cheaper than butter, may be bought only by low-income groups. i/ Cheese with a fat content of over 20 percent must no longer be produced. j/ Production has greatly declined due to the reduction in chicken numbers as a result of the curtailment of feed supplies. However, if exports are not excessive, supplies for home consumption should continue liberal.

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With one qualification, there should be little objection to a comparison of the Danish ration allowances with the average pre-war per capita consumption figures, as given in the table. The rations, with minor exceptions, are allowed to all persons throughout the population, adults as well as children. The exceptions should about cancel out: children under 6 years of age get less rye bread, but heavy and extra-heavy workers get more.

The qualification as to the comparability of rationing data with per capita consumption figures is of a general nature. Rations, if at all representative of actual consumption, should indicate net consumption, inclusive of household waste, but exclusive of loss and waste incurred from producer or importer to retail distributor. Pre-war per capita consumption figures, on the other hand, representing as it were gross or total consumption, should include practically all kinds of loss and waste. Unfortunately, there is no way of telling how much the differences amount to, but it is probable that on the whole they are not very important. They vary as among products and countries and are probably larger in time of peace than they are in time of war. It is likely that pre-war average per capita consumption figures overstate somewhat actual household consumption.

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BOHEMIA REDUCES HOP AREA . . .

A further reduction in the hop area of Bohemia and Moravia is indicated for 1941, according to information received in the Office of Foreign Agricultural Relations. The reductions, it is said, will exceed those ordered a year ago in the three principal producing districts of Saaz, Roudnice, and Trsice.

Hop fields in other districts were ordered plowed under last year, so it would appear that the industry in the Protectorate is undergoing a rather marked adjustment which will not only remove marginal producing yards but a fair share of the surplus as well.

The reduction in the hop area of Bohemia and Moravia seems to be motivated by three basic considerations, it is reported. These include:

(1) The shrinkage of the markets for hops both for export and home consumption,
(2) The desire to maintain the quality and price of hops, and
(3) The substitution of other crops for hops as a wartime measure.

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